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To: Microsoft ATR
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Subject: Microsoft Settlement

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I am writing to you to suggest a possible set of restrictions on the
future conduct of business by Microsoft Corporation that would prevent
the company from continuing its aggressive and monopolistic business
practices in the rapidly developing computer industry. While these
restrictions may seem draconian, I believe that the injury to other
parties in the computer software industry has been severe, and that
Microsoft has used its dominant position not only to compete unfairly in
the marketplace, but also to stifle innovation. I will keep my comments
brief for your convenience.

1. Require full disclosure of all interfaces and software elements. It
is important that parties other than Microsoft have full access to
interfaces and internal characteristics of the monopoly's software
products. To make this effective, I propose that Microsoft be required
to release full development source code and all internal documentation
whenever it releases a product, regardless whether that is a final
product or a pre-release (alpha, beta, and release candidate) version.
This code shall be made available at a reasonable price, not to exceed
the end-user price of one (1) copy of the software. Microsoft may make
this source code available under license that restricts the licensee's
use of the source code so that the licensee may not directly utilize
significant portions of the code to create products that are essentially
identical to Microsoft's own products.

Full, commented source code and complete documentation is the only form
of full disclosure that will truly enable competitors to produce
software that fully integrates with Microsoft's monopoly operating
system and desktop program suites.

Releasing specifications of interfaces at a point in time does not
affect Microsoft's ability to arbitrarily change these interfaces in
ways that make competitive or complementary products noncompetitive or
non-interoperable. For example, Microsoft's Common Internet File System
(CIFS) was a specification released by Microsoft, but Microsoft has

continued to change the messages sent between computers so that maintaining a compatible interface such as Samba is a difficult job, requiring substantial reverse engineering.

Another reason that full disclosure is required is that Microsoft may choose to release only specific, partial information on certain key interfaces. This information would allow a software vendor to produce programs that perform arbitrary, specified functions. A Microsoft version of a similar program might use a "hidden" interface that produces better performance, or Microsoft's knowledge of the internal algorithms that underlie an interface might allow it to utilize this supposedly public interface in ways that an external developer could not.

2. Restrict Microsoft's purchase of other technology companies. Microsoft often states that its most sincere desire is to innovate. Unfortunately, the record shows that most of Microsoft's innovation has come in the form of purchasing (or appropriating) technology developed by others, applying its exceptional marketing muscle, and then updating this acquired technology at an often-painfully slow rate once Microsoft has established a comfortable market lead or monopoly position. Examples of this behavior include:

*   MS-DOS (acquired by license, Seattle Computer Products)

*   Microsoft Windows (copied from Apple's Macintosh, in turn derived from work at SRI and Xerox PARC)

*   Microsoft Windows NT OS (and the newer XP OS) (appropriated and then licensed from Digital Equipment Corporation)

*   Microsoft Excel (copied from the original spreadsheet, VisiCalc)

*   Microsoft Internet Explorer (copied from Netscape Navigator)

*   Microsoft FrontPage (company acquired)

*   Microsoft PowerPoint (company acquired)

*   Microsoft Visio (company acquired)

*   Microsoft Hotmail (company acquired)

*   Microsoft UltimateTV (company acquired)

To truly encourage innovation and reward that innovation in the market, such acquisitions should be prevented. Microsoft should be prohibited from acquiring more than 40% of any other company, public or private,

either directly or via one or more of its major stockholders.

3. Require Microsoft to support at least one additional viable
alternative operating system on its desktop applications suite. Many
users are forced to purchase Microsoft operating systems because they
need to utilize Microsoft's Office Suite or a subset thereof. If offered
the choice of running these applications on a different operating system
such as Linux, many customers would be delighted to opt for that choice.
Microsoft does offer some, but not all, of the Office applications on
the Apple Macintosh; however, given Apple's small market share, the
Macintosh Office Suite does not constitute a significant fraction of the
market.

Microsoft should be required to release a fully comparable version of
its Office Suite products (Access, Excel, FrontPage, Outlook,
PowerPoint, Publisher, Word, and supporting applications such as Photo
Editor) on a widely-used Linux distribution such as Red Hat. The first
Linux version of these applications must be made available within 120
days of the conclusion of these proceedings, and subsequent versions
must be released at the same time as or before the Microsoft Windows
version of these programs. Retail, corporate, and OEM pricing for the
Linux version of these programs and packages shall not exceed the prices
for the same programs and packages on Microsoft Windows, and all
configurations of these programs and packages offered on Microsoft
Windows must be offered on Linux. Further, these Linux-based products
must be full and complete ports - they cannot use a Windows emulation
library and simply sit on top of Linux with poor interoperability with
other Linux tools.

4. Compensate past purchasers of Microsoft software for the overcharging
that was made possible by Microsoft's monopoly and tying practices. I
believe that direct financial compensation via actual monetary payment
(no coupons, no rebates on future purchases) would be the most equitable
solution. If a user registered one or more product(s) with Microsoft,
those records can be used to make payment to the original purchasers of
each product and/or upgrade. If a user did not register, proof of
purchase such as original CD-ROMS should be accepted. I believe that the
amount of compensation should be selected so that a substantial fraction
(more than 50%) of Microsoft's cash on hand is disbursed to consumers.

Although these four remedies each may sound quite harsh, I believe that
Microsoft's conduct cannot fundamentally be altered without applying all
four remedies simultaneously. Ultimately, these remedies will result in
the resumption of competition and market-based innovation in many areas
of the computer software industry. Without all four remedies, it is
quite likely that Microsoft will be able to resume its anticompetitive
practices by interpreting the ruling in its own ways.

Thank you for your time.

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Mr. Peck is a computer scientist who has been involved since the late
1960s in designing and a wide variety of computer software ranging from
the file system component of operating systems to end-user applications.
He graduated from Harvard College in 1978, and obtained his Masters
degree in computer science from the University of California, Berkeley
in 1982. He is currently Chief Technology Officer of a Silicon Valley
start-up. This letter represents Mr. Peck's personal views, and does not
necessarily reflect the views of his employer.